



# **CITY OF HAYWARD**

## **AGENDA REPORT**

AGENDA DATE 05/17/05

AGENDA ITEM \_\_\_\_\_

WORK SESSION ITEM WS#2

**TO:** Mayor and City Council

**FROM:** Director of Community and Economic Development

**SUBJECT:** Report on the Residential Rental Inspection Program for FY 2004-05

### **RECOMMENDATION:**

It is recommended that the City Council review and comment on this report.

### **DISCUSSION:**

On July 20, 2004, the City Council reviewed the statistical data and procedural issues for the Residential Rental Inspection Program during the ten month period from July 1, 2003 (initiation of the revised program) through May 31, 2004. This report contains the first full twelve months of data for the revised program, covering from April 1, 2004 through March 31, 2005.

Prior to providing an analysis of the statistics presented in the attached charts, the staff would like to review some changes made to improve customer service based on our first year's experience and feedback. Sensitive to the rising cost of maintaining property, inspectors are making every effort to communicate and work closely with owners having violations at the time of the survey so the units can be cleared by the first progress inspection. Inspectors are also encouraging owners to call prior to the first survey if they have any questions about the process or what is needed to pass the inspection. In some instances, when inspection schedules allow and the majority of violations have been resolved, Inspectors have conducted "courtesy" inspections to conclude a case more expeditiously. They have also been more aggressive in making follow-up calls and offering guidance to owners and managers in how to resolve more difficult violations.

In the case of complaints, each one is reviewed with the complainant personally and the property checked the same day. If immediate attention is required, the owner is called the same day to begin corrective action as soon as possible. In less severe cases, the owner is advised of the complaint by phone and the staff attempts to mediate the problem. If mediation is not successful, an enforcement case will be opened. This process has allowed some owners and managers to resolve the issue prior to any enforcement action or City charges and has resulted in more responsive service to tenants.

Another area in which improvements have been made is the categorization of "miscellaneous" violations. The total number of such violations in FY 2003-04 was 2,686. That number has dropped almost forty percent (40%) to 1637 in this fiscal year and continues to decline. Many of these "miscellaneous" violations are actually violations of the City's Security Ordinance (Ordinance 90-26 C.S.), the purpose of which is "to make residential and non-residential units resistant to unlawful entry." Staff has encountered an increase in missing or damaged locks on windows, which may be due to the aging rental inventory and the limited life span of these mechanisms. The largest number of "miscellaneous" violations appears to be found in the larger rental complexes. Even a small percentage of units having missing window locks in a one hundred unit complex will result in a high number of miscellaneous violations. These are minor maintenance issues that if unattended can have serious consequences for the tenant or to the structure. Other examples of "miscellaneous" violations include deteriorated fencing, peeling paint, broken or cracked windows, loose handrails, missing addresses or improperly functioning door locks. Staff will continue to work on refining the categories and the coding of violations to more clearly define and categorize the types of violations currently classified as "miscellaneous."

#### Focus Area - Mandatory Inspections

Chart A-1 shows that 332 cases came under the purview of the mandatory inspection program in the Council adopted Focus Areas between April 1, 2004 and March 31, 2005. Each "case" represents one parcel of land, may contain one or more buildings and may represent multiple dwelling units. Of the 332 cases opened, 228 cases were closed during this period, with 95 cases (42%) closed subsequent to the first survey, indicating they had no code violations and that no fees were charged. An additional thirty-four percent (34%) of the cases were closed after the first progress check, for a total of seventy-six percent (76%) of cases. Another fifteen percent (15%) were able to be closed after the second progress check, for a total of ninety-one percent (91%) of the cases, indicating that in the vast majority of properties where code violations were found, they could be corrected within one to three months. Unfortunately, the remaining nine percent (9%) required three or more progress checks before all of the violations had been corrected.

Of the other 104 cases that were opened during this period, four were in the process of background research or attempting to gain entry for the initial survey and the remaining 100 cases were in progress, with thirty percent (30%) of these 100 cases already in their third, fourth, fifth or greater progress check. These figures indicate that a significant percentage of cases (9% - 30%) take many months (3-10 months) to reach closure and absorb an undue proportion of the staff time available for this program. It is extensive delays experienced with these cases that the penalty fees are designed to discourage.

Chart A-2 recasts these cases in terms of numbers of units involved. The mandatory inspection program in the Focus Areas actually surveyed 2655 units between April 1, 2004 and March 31, 2005.

Of the units surveyed, 1262 units (47%) were found to have violations. Within those 1262 units, individual violations cited totaled 5031, an average of four violations per unit. As the chart indicates, 1616 (32%) were violations of the Uniform Building Code; 781 (16%) were violations of the Uniform Plumbing Code; 256 (5%) were violations of the Mechanical Code, and 741 (15%) were violations of the Electrical Code.

Single-family rentals constituted five percent (5%) of total units, but twelve percent (12%) of total violations. The violations most commonly found continue to include illegal additions through patio enclosures, garage conversions and sheds that compromise required light, ventilation and egress; windows that are not operational, incorrectly sized for egress in case of fire or lacking safety latches; unsafe electrical panels and excessive use of temporary electrical cords; water heaters that are not properly strapped or missing drain lines; and dry rot on roof eaves.

Building code violations most commonly observed in multifamily housing continue to include deteriorated decking and balconies; dry rot in bathroom floors; missing or inoperable smoke detectors; windows that are inoperable and restrict ventilation or are incorrectly sized for egress in case of fire; conversion of garages and carports to habitable space; and lack of adequate exterior lighting in carports, hallways, and walkways. Common Plumbing Code violations include loose or leaking toilets and basins, blocked or leaking drains, and missing temperature valves, missing seismic strapping and inadequate vents on water heaters. Mechanical violations commonly found include missing or non-functioning gas shut-off valves, inoperable bathroom exhaust fans, inadequate venting or missing exhaust vents for dryers. Electrical violations commonly encountered include exposed wiring at wall and switch plates and at overhead lighting, use of extension cords in place of permanent electrical wiring, non-functional receptacles, and replacement of two-prong receptacles with three-prong receptacles despite the fact that there is no grounding wire as is required for a three-prong receptacle. In addition there were 1,637 "miscellaneous" violations that included, but were not limited to, common area items such as deteriorated paint or fencing, broken or cracked walkways, and to security items such as malfunctioning window locks. Staff efforts to continue reducing this number are addressed above.

#### Focus Area - Complaint Inspections

An additional 9 cases (down from 41 last year) were investigated as the result of complaints received by the Program staff (Chart A-3). As a result of these complaints, twelve (12) units were surveyed. Of these twelve, ten (10) we found to be units with violations at the time of survey. Of the 52 violations found, 7 were violations of the Uniform Building Code, 18 were violations of the Uniform Plumbing Code, 3 were violations of the Mechanical Code, and 7 were violations of the Electrical Code. The vast majority of the complaint units were repaired by the third progress inspection.

#### Non-Focus Area – Mandatory Inspections

In the non-focus area inspections, ten percent (10%) of the multifamily properties are screened first for any common area violations. If none are found and program history indicates few problems in past inspections, the case is closed. If common areas indicate violations, the units will be surveyed. These non-focus areas are neighborhoods where a larger proportion of the cases involve inspection of rented single family properties. Because the Alameda County Assessor's records frequently indicate the absence of a homeowner exemption or provide a separate mailing address for the owner (trusts, conservatorships and post office boxes), these properties must be reviewed by the staff and frequently require a site visit to determine that they are not actually rentals. These properties have not been included in the figures presented in the charts, despite the fact that they require staff time and documentation.

As shown on Chart B-1, of the 160 properties or parcels initially screened in the non-focus areas, 76 cases (48%) were closed after the common area inspection. The remaining 84 cases involved 1,327 units. Of the 84 cases, 43 have been surveyed and 41 are pending survey. The 43 cases surveyed included a total of 324 units, 47 (15%) of which were found to have violations. This is a much lower percentage than found in the focus areas (15% versus 47% for the focus areas). Of the 248 violations, 119 (48%) were violations of the Uniform Building Code, 47 (19%) were violations of the Uniform Plumbing Code, 6 (2%) were violations of the Mechanical Code, and 22 (9%) were violations of the Electrical Code. Despite the smaller number of units surveyed, these percentages are quite similar to the breakdown of types of violations found in the focus areas.

Although the smaller number of units in the non-focus area makes percentages less meaningful, they are presented here for general comparison purposes. Of the 25 total cases closed, 18 (72%) were closed at survey and 22 (88%) were by the second progress check. Of the 18 open cases that had proceeded to progress checks, 7 (39%) had already required a third or greater number of progress checks.

#### Non-Focus Area - Complaint Inspections

There were fourteen (14) complaint cases in non-focus areas, with eight (8) closed and six (6) that remain open. Of the eight closed, three (37%) were closed at survey and five (62%) were closed by the second progress check. Two cases remained outstanding at or above the fifth progress check. Of the six open cases, three (49%) were still unresolved at the fifth or greater progress check.

#### Summary

In summary, the first two year's progress suggests that the goals set forth for the reconfiguration of the Residential Rental Housing Inspection Program will be exceeded within the three and one half year timeframe. Of the 7,700 estimated units to be inspected, the program has accomplished more than 3,000 units per year in the first two years. Staff believes that it would be possible at this time to consider expanding the Focus Areas to include additional units and still meet the timeframe set forth for the program. Staff would recommend that the Santa Clara neighborhood (Census Tract 4368), which represents approximately an additional 700 units, be added to the Focus Areas. This neighborhood was originally considered for inclusion because it contains over 600 multi-family units in large complexes and is located between and to the south of the current Burbank and South Garden Focus Areas.

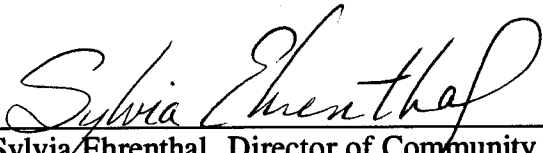
Program revenues have totaled approximately \$350,000 for the fiscal year to date, with about \$130,000 derived from the Annual Fee, about \$205,000 derived from fees and penalties assessed for violations, and about \$22,000 in rental decontrol fees. The revenue has resulted in a program cost recovery of about 70% percent, a decrease from the 90% recovery rate in the previous year. It should be noted that the cost recovery rate was expected to be reduced because the shorter time span between inspections resulting in a reduction in the number of violations encountered. While the report for 2003-04 indicated a total of 1,644 units with violations, this year's report indicates approximately 1,300 units with violations.

## Rental Housing Work Group Review


The Rental Housing Work Group met on April 29, 2005 to review the information on the program progress for FY 2004-05. All members of the group reaffirmed their commitment to improving the quality of rental housing in Hayward and acknowledged that good progress had been made in reaching the goals set forth for the reconfiguration of the program in 2003. Much of the discussion centered on ways to continue to improve the effectiveness of the program over time, including more effort directed at the education of landlords, better communication on code requirements, tougher enforcement in the form of stiffer penalties for lack of compliance, and working toward the goal of a self-certification program for property owners with a history of good maintenance.

RHO and tenant representatives offered to engage in mediation services to resolve some of the more difficult cases more expeditiously. All members agreed to look at a package of issues in FY 2005-06, such as how to encourage and compel better education of rental property owners, cooperative efforts in presenting the MMAP program set to start in September in Hayward, and the possible implementation of self-certification and Gold Key programs in the next cycle. The Group also agreed with the inclusion of Census Tract 4368 in the Focus Areas.

Prepared by:

  
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Approved by:

  
Jesús Armas, City Manager

Exhibits: Charts A1 - A3  
Charts B1 - B3

## CHART A-1

### FOCUS AREA - MANDATORY INSPECTIONS

OPEN AND CLOSED CASES\* BY PROGRESS CHECKS - APRIL 1, 2004 - MARCH 31, 2005

Closed Cases - Progress Checks													
	Total Closed Cases	Closed at Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	103	56	54%	27	26%	13	13%	3	3%	2	2%	2	2%
Multi-Family (2-4 Units)	76	30	40%	32	42%	7	9%	5	7%	1	1%	1	1%
Multi-Family (5-15 Units)	24	5	21%	10	42%	6	24%	3	13%	0	0%	0	0%
Multi Family (16+ Units)	25	4	16%	8	32%	9	36%	0	0%	4	16%	0	0%
Subtotal Closed Cases	228	95	42%	77	34%	35	15%	11	5%	7	3%	3	1%

Open Cases - Progress Checks													
	Total Open Cases	Pending Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	41	0	0%	15	37%	18	44%	3	7%	2	5%	3	7%
Multi-Family (2-4 Units)	39	0	0%	12	31%	13	33%	13	33%	0	0%	1	3%
Multi-Family (5-15 Units)	14	3	21%	4	30%	1	7%	3	21%	2	14%	1	7%
Multi Family (16+ Units)	10	1	10%	5	50%	1	10%	1	10%	1	10%	1	10%
Subtotal Open Cases	104	4	4%	36	34%	33	32%	20	19%	5	5%	6	6%

<b>TOTAL CASES</b>	<b>332</b>
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\*Cases = Parcels

4/25/2005

## CHART A-2

### FOCUS AREA - MANDATORY INSPECTIONS

VIOLATIONS IN UNITS INSPECTED - APRIL 1, 2004 - MARCH 31, 2005

	Cases Surveyed	Total Units	Units with Violations at Survey	Building Violations	Plumbing Violations	Mechanical Violations	Electrical Violations	Misc. Violations	Total Violations
Single Family Residence	144	144	61	179	125	34	81	205	624
Multi-Family (2-4 Units)	115	296	176	457	203	57	170	369	1256
Multi-Family (5-15 Units)	38	302	167	196	145	37	114	351	843
Multi Family (16+ Units)	35	1913	858	784	308	128	376	712	2308
Total	332	2655	1262	1616	781	256	741	1637	5031

Miscellaneous violations include deteriorated fencing, broken, cracked walkways, deteriorated paint, malfunctioning window locks, etc.

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**CHART A-3**  
**FOCUS AREA - COMPLAINT INSPECTIONS**

APRIL 1, 2004 - MARCH 31, 2005

	Cases Surveyed	Total Units	Units with Violations at Survey	Building Violations	Plumbing Violations	Mechanical Violations	Electrical Violations	Misc. Violations	Total Violations
Single Family Residence	2	2	2	2	8	0	0	4	14
Multi-Family (2-4 Units)	4	7	6	5	10	3	7	11	36
Multi-Family (5-15 Units)	1	1	1	0	0	0	0	1	1
Multi Family (16+ Units)	2	2	1	0	0	0	0	1	1
<b>Total</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>7</b>	<b>18</b>	<b>3</b>	<b>7</b>	<b>17</b>	<b>52</b>

Closed Cases - Progress Checks													
	Total Closed Cases	Closed at Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	2	0	0%	1	50%	0	0%	1	50%	0	0%	0	0%
Multi-Family (2-4 Units)	2	0	0%	0	0%	1	50%	1	50%	0	0%	0	0%
Multi-Family (5-15 Units)	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Multi Family (16+ Units)	1	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
<b>Subtotal Closed Cases</b>	<b>5</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>20%</b>	<b>2</b>	<b>40%</b>	<b>2</b>	<b>40%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

Open Cases - Progress Checks													
	Total Open Cases	Pending Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	1	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%
Multi-Family (2-4 Units)	2	0	0%	0	0%	1	50%	1	50%	0	0%	0	0%
Multi-Family (5-15 Units)	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Multi Family (16+ Units)	1	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
<b>Subtotal Open Cases</b>	<b>4</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>50%</b>	<b>2</b>	<b>50%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

\*Cases = Parcels

Miscellaneous violations include deteriorated fencing, broken, cracked walkways, deteriorated paint, malfunctioning window locks, etc.

4/25/2005



# CHART B-1

## NON-FOCUS AREA - MANDATORY INSPECTIONS

VIOLATIONS IN UNITS INSPECTED - APRIL 1, 2004 - MARCH 31, 2005

	Total Cases	Cases Closed at Common Area Inspection	Cases Pending Survey	Cases Surveyed	Total Units	Total Units Surveyed	Units with Violations at Survey	Building Violations	Plumbing Violations	Mechanical Violations	Electrical Violations	Misc. Violations	Total Violations
Single Family Residence	120	60	32	28	120	28	5	47	7	1	5	0	60
Multi-Family (2-4 Units)	24	9	6	9	52	23	9	14	19	3	6	36	78
Multi-Family (5-15 Units)	5	3	0	2	37	18	15	40	12	1	2	12	67
Multi Family (16+ Units)	11	4	3	4	1118	255	18	18	9	1	9	6	43
Total	160	76	41	43	1327	324	47	119	47	6	22	54	248

Miscellaneous violations include deteriorated fencing, broken, cracked walkways, deteriorated paint, malfunctioning window locks, etc.

4/25/2005

## CHART B-2

### NON-FOCUS AREA - MANDATORY INSPECTIONS

OPEN AND CLOSED CASES\* BY PROGRESS CHECKS - APRIL 1, 2004 - MARCH 31, 2005

Closed Cases - Progress Checks													
	Total Closed Cases	Cases Closed at Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	20	16	80%	0	0%	1	5%	1	5%	0	0%	2	10%
Multi-Family (2-4 Units)	5	2	40%	1	20%	2	40%	0	0%	0	0%	0	0%
Multi-Family (5-15 Units)	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Multi Family (16+ Units)	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Subtotal Closed Cases</b>	<b>25</b>	<b>18</b>	<b>72%</b>	<b>1</b>	<b>4%</b>	<b>3</b>	<b>12%</b>	<b>1</b>	<b>4%</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>8%</b>

Open Cases - Progress Checks													
	Total Open Cases	Cases Pending Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	44	32	72%	3	7%	3	7%	3	7%	1	2%	2	5%
Multi-Family (2-4 Units)	10	6	60%	2	20%	1	10%	0	0%	1	10%	0	0%
Multi-Family (5-15 Units)	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Multi Family (16+ Units)	5	3	60%	2	40%	0	0%	0	0%	0	0%	0	0%
<b>Subtotal Open Cases</b>	<b>59</b>	<b>41</b>	<b>70%</b>	<b>7</b>	<b>12%</b>	<b>4</b>	<b>7%</b>	<b>3</b>	<b>5%</b>	<b>2</b>	<b>3%</b>	<b>2</b>	<b>3%</b>

<b>TOTAL CASES</b>	<b>84</b>
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\*Cases = Parcels

4/22/2005

CHART B2

# CHART B-3

## NON-FOCUS AREA - COMPLAINT INSPECTIONS

APRIL 1, 2004 - MARCH 31, 2005

	Total Cases	Cases Closed at Common Area Inspection	Cases Pending Survey	Cases Surveyed	Total Units	Number of Units Surveyed	Units with Violations at Survey	Building Violations	Plumbing Violations	Mechanical Violations	Electrical Violations	Misc. Violations	Total Violations
Single Family Residence	7	0	0	7	7	6	6	43	19	7	15	1	85
Multi-Family (2-4 Units)	5	0	0	5	5	3	3	7	2	1	0	6	16
Multi-Family (5-15 Units)	1	0	0	1	4	4	4	18	2	1	3	8	32
Multi Family (16+ Units)	1	0	0	1	1	1	1	2	0	0	0	0	2
Total	14	0	0	14	17	14	14	70	23	9	18	15	135

Closed Cases - Progress Checks													
	Total Closed Cases	Cases Closed at Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	5	1	20%	0	0%	1	20%	1	20%	0	0%	2	40%
Multi-Family (2-4 Units)	2	2	100%	0	0%	0	0%	0	0%	0	0%	0	0%
Multi-Family (5-15 Units)	1	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%
Multi Family (16+ Units)	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Subtotal Closed Cases	8	3	37%	0	0%	2	25%	1	13%	0	0%	2	25%

Open Cases - Progress Checks													
	Total Open Cases	Cases Pending Survey	%	1st	%	2nd	%	3rd	%	4th	%	5+	%
Single Family Residence	4	0	0%	0	0%	1	25%	1	25%	0	0%	2	50%
Multi-Family (2-4 Units)	1	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%
Multi-Family (5-15 Units)	1	0	0%	0	0%	0	0%	0	0%	0	0%	1	100%
Multi Family (16+ Units)	0	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Subtotal Open Cases	6	0	0%	1	17%	1	17%	1	17%	0	0%	3	49%

\*Cases = Parcels

Miscellaneous violations include deteriorated fencing, broken, cracked walkways, deteriorated paint, malfunctioning window locks, etc.

4/25/2005